
WTO and Agriculture

What's at Stake for Delaware?

Delaware produces agricultural, fish, and wood products that are exported worldwide. In 1997, the state's total cash receipts from farming reached \$748 million. Data for 1996 indicate that wood product shipments totaled \$85 million, and commercial fish landings were \$4.4 million. These industries are important to Delaware's economy. They create jobs on farms, in mills, and at ports, and also support jobs in related sectors, such as food processing, transportation, and manufacturing.

Delaware's agricultural exports were estimated at \$147 million in 1997. The top exports were:

- # poultry and products -- \$89.9 million
- # soybeans and products -- \$29.5 million
- # wheat and products -- \$14.6 million
- # vegetables and preparations -- \$12.3 million

World demand for agricultural, fish, and wood products is increasing, but so is competition among suppliers. If Delaware's industries are to compete successfully for export opportunities in the 21st century, they need *fair trade* and *fair access* to growing global markets.

Delaware Benefits from Trade Agreements

Delaware is already benefitting from a number of trade agreements. While there is still much to be done, examples of new market opportunities include:

- # With nearly 70% of its farm receipts coming from the production of broilers, Delaware should benefit under the Uruguay Round as South Korea grants unlimited access for frozen chicken at a 20% tariff by 2004. Poland opened market access for poultry meat equal to 8.5% of domestic consumption (roughly 30,000 tons in 1996). The Philippines opened a tariff-rate quota for 14,000 tons of chicken, which will reach 23,500 tons by 2004.
- # With soybeans and products its second largest farm export, Delaware benefits under the Uruguay Round as Japan reduces its tariffs on soybean oil 36% by 2000. Indonesia agreed to eliminate its blending requirement for soybean meal by 1998.
- # Under the Uruguay Round, major U.S. trading partners are reducing their tariffs 28% on average for wood products. Under NAFTA, Mexico is eliminating most of its tariffs on logs, softwood lumber, wood moldings, and plywood by 2004.

